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C O N F I D E N T I A L SECTION 01 OF 02 DILI 000118

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SUBJECT: PRESIDENT RAMOS-HORTA ANNOUNCES PARDONS, CALLS FOR PETROLEUM
FUND CHANGES

REF: DILI 113

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CLASSIFIED BY: Henry M. Rector, Deputy Chief of Mission, U.S.
Embassy Dili, Department of State.
REASON: 1.4 (b), (d)

Summary

1.(U) On the morning of April 23, Timor-Leste President Jose Ramos-Horta addressed the National Parliament, recounting in detail his efforts to negotiate with dissident military police commander Major Alfredo Reinado prior to the rebel's attacks against him and the Prime Minister on February 11, which left Reinado dead and the President seriously wounded. In an effort to allay rumors, he denied there had been a pre-arranged meeting between himself and Reinado, and stressed that the Timorese soldiers at his compound had reacted appropriately by opening fire. He publicly asked opposition leader Mari Alkatiri to lead an advisory body on economic and social development, and reiterated his 4-point solution to the problem of the ex-military petitioners based on re-integration into the Armed Forces (F-FDTL) via a vetting process. The President also announced that on May 20, he would pardon about 80 persons who had served jail terms, including former Minister of the Interior Rogerio Lobato. Finally, he called for the Petroleum Fund law to be amended so that its revenues could be used to offset the rising cost of food. At present, Ramos-Horta said, the Fund was only helping "the United States Treasury." End summary.

Lobato To Be Pardoned

2.(SBU) Timor-Leste President Jose Ramos-Horta addressed the National Parliament on April 23. Perhaps the biggest surprise in the President's speech was his announcement that on May 20 he would pardon about 80 persons who have served jail terms, including former Minister of the Interior Rogerio Lobato, who has served prison time for acts committed during the crisis of 2006 and is currently seeking medical treatment in Malaysia.

Ramos-Horta went as far as to call Lobato "a hero for independence." (Note: according to chapter 11, section 85 (i) of the Constitution, "It is exclusively incumbent upon the President of the Republic to grant pardons and commute sentences after consultation with the Government." It is not known whether Ramos-Horta has already consulted with the government on his plans.)

On the Petitioners, Reinado and Salsinha

13. (U) The President reiterated his 4-point solution to the problem of the petitioners as follows: a) there will not be readmissions by groups into the F-FDTL; b) readmissions will be considered under a new recruitment process based on the 2006 law of compulsory military service; c) the petitioners who want to return to the F-FDTL must submit to a new recruitment process without guarantees their applications will be accepted; d) the petitioners who prefer to return to civilian life will be eligible to receive a monetary incentive equivalent to three years of salary.

14. (U) The President noted that he reached out openly and in good faith to Reinado and his deputy Lt. Gastao Salsinha throughout 2006 and 2007 notwithstanding criticism from the justice sector and others. He charged both men responded in bad faith and that Reinado's ego was fed by attention from local and international journalists which "led him to become even more arrogant and irrational." Regarding Salsinha, who remains at large, the President stated he was not worthy of bearing the title of lieutenant because the rebel violated all honor codes of the armed forces. He added Salsinha was in no position to make demands on the government or to address himself to the Chief Executive, as he did last week through a public letter. His only option, the President said, was to surrender. On the Prosecutor General's investigation into the February 11 attacks, Ramos-Horta announced it will be completed by next July, and

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observed that evidence proves both men received assistance from foreign and domestic supporters in the form of new uniforms, cell phones, weapons, gas, and equipment.

President Reaches Out To FRETILIN

15. (U) The President said he intends to restart the dialogue initiated before the February 11 attacks between the government and all opposition parties, and said that "conditions exist to reach an understanding between the AMP government and other political forces in this National Parliament," including the main opposition party FRETILIN. He then publicly asked Dr. Alkatiri, whom he called "a friend and colleague of many years," to "join his Cabinet" leading development assistance in political, economic, social, and institutional aspects. The President reasoned that it is to Timor-Leste's benefit to take advantage of Dr. Alkatiri's knowledge and experience, and that of other respected (FRETILIN) ex-ministers such as Estanislau da Silva, Dr. Ana Pessoa, and Dr. Jose Teixeira, whom he called "patriots with a deep understanding of the petroleum dossier and who feel the pain of the poor."

Petroleum Fund Policy Changes

16. (U) Signaling a possible shift of policy, the President called for the Petroleum Fund law to be amended so that its revenues could be used to offset the rising cost of food. He observed that the Petroleum Fund Law enacted under the First Constitutional Government was an "intelligent, serious and transparent solution, but circumstances have changed. The fund presently only benefits the U.S. Treasury." He noted that rising food and fuel costs threaten to impoverish millions

around the world and in Timor-Leste. The government must initiate a dialogue with opposition parties to alter the Petroleum Fund Law in "as consensual a manner as possible."

Comment

17. (C) The President's speech was peppered with messianic and biblical references, and his belief that God spared his life for the purpose of promoting reconciliation in Timor-Leste's political landscape, improving the lives of the poor, and leading the nation towards peace and prosperity. He compared his destiny with that of other great men who had been targets of assassins, including Martin Luther King, Pope John Paul II, and John and Robert F. Kennedy. Ramos-Horta also lavished praise on F-FDTL commander Brigadier General Taur Matan Ruak, whom he said "has a heart of gold" in spite of the fact the general was recommended for prosecution in a UN inquiry report into the 2006 crisis. He also praised as "exemplary" the human rights record and conduct of military and police personnel conducting the joint operations against Reinado's deputy Gastao Salsinha and his men following the attacks. Absent from the speech was any reference of support for early elections, which had reportedly figured in an early draft.

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